
OCTOPUS

AIM VCT PLC

Unaudited Half-Yearly
Report for the Six Months
Ended 31 August 2015

Company Number: 03477519

FOR UK INVESTORS ONLY

octopusinvestments.com

The logo for Octopus Investments, featuring the word "OCTOPUS" in a bold, sans-serif font with a stylized octopus tentacle graphic above the "S". Below "OCTOPUS" is the word "INVESTMENTS" in a smaller, all-caps, sans-serif font.

OCTOPUS
INVESTMENTS

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Financial Headlines

105.6p Net Asset Value at 31 August 2015

2.5p Interim dividend proposed for half year to 31 August 2015*

* An interim dividend of 2.5p will be paid on 14 January 2016 to those shareholders on the register on 18 December 2015.

Octopus AIM VCT plc

Octopus AIM VCT plc is a venture capital trust which aims to provide shareholders with attractive tax-free dividends and long-term capital growth by investing in a diverse portfolio of predominately AIM-traded companies. The Company's investments are managed by Octopus Investments Limited.

THE COMPANY'S OBJECTIVE

The objective of the Company is to invest in a broad range of predominantly AIM-traded companies in order to generate income and long-term capital growth. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value.

The Company offers investors exposure to the AIM market through a mature portfolio which takes a long term view. This enables investors to benefit from the tax advantages of investing in a VCT.

THE INVESTMENT PORTFOLIO

The Company's funds are managed by Octopus Investments Limited within a VCT-qualifying structure and the objective is to invest in a diversified portfolio of smaller companies principally traded on AIM. Investments are selected for their growth potential, dividend prospects and quality management teams which have a clear business plan to create growth. VCT regulation prevents material investment into asset backed companies, such as resource stocks and as a result, promotes investment into knowledge intensive and earlier stage companies.

Although the investment philosophy takes a long term view, the Company operates a buyback policy so that shareholders can exit their investment if they wish to. Shares are repurchased at a 5% discount to NAV and cancelled.

TAX BENEFITS

Shareholders who buy shares in a new offer by the Company receive up to 30% up-front income tax relief on investments up to £200,000 per tax year providing the shares are held for five years. Dividends are tax free irrespective of whether they purchased their shares in the secondary market or through a new share offer. It is your Board's intention to continue to pay a minimum dividend of 2.5p each half year. At the year-end our intention is to adjust the final dividend so that on an annual basis, and based on the year-end share price, shareholders receive either 5p per annum or

a 5% yield, whichever is greater at the time. This will enable dividends to progress with a rising NAV, whilst maintaining the minimum historic level.

Shareholders can sell shares through the Company-operated buyback policy and all disposals are free of Capital Gains Tax.

THE MANAGER

The Octopus Investments Limited Smaller Companies Team is one of the most experienced AIM fund managers in the market. Octopus is a fast growing fund management company and currently manages £5 billion in funds making it the UK's biggest VCT provider.

Shareholder Information and Contact Details

FINANCIAL CALENDAR

The Company's financial calendar is as follows:

14 January 2016	2015 interim dividend paid
June 2016	Annual results for the year to 28 February 2016 announced; Annual Report and financial statements published
July 2016	Annual General Meeting
July/August 2016	2016 final dividend paid
January 2017	Interim dividend paid

DIVIDENDS

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Capita Asset Services, by calling 0871 664 0324 (calls cost 10p per minute plus network extras. Lines are open Monday–Friday 9.00am–5.30pm), or by writing to them at:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

SHARE PRICE

The Company's share price can be found on various financial websites, such as www.londonstockexchange.com, by typing 'Octopus AIM' in the 'Quotes Search' box.

The latest share price as at the close of business on 12 October 2015 was 101.75p per Ordinary share.

BUYING AND SELLING SHARES

The Company's Ordinary shares can be bought and sold in the same way as any other company quoted on the London Stock Exchange via a stockbroker. There may be tax implications in respect of selling all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available, and envisages that purchases will be made at a 5% discount to the prevailing NAV. The Company is, however, unable to buy back shares directly from shareholders. If you are considering selling your shares or trading in the secondary market, please contact Panmure Gordon (UK) Limited.

Panmure Gordon (UK) Limited is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought its shares. Panmure Gordon (UK) Limited can be contacted as follows:

Chris Lloyd	020 7886 2716	chris.lloyd@panmure.com
Paul Nolan	020 7886 2717	paul.nolan@panmure.com

NOTIFICATION OF CHANGE OF ADDRESS

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrar, Capita Asset Services, under the signature of the registered holder. Their contact details can be found at the end of this report.

OTHER INFORMATION FOR SHAREHOLDERS

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Octopus website at www.octopusinvestments.com by navigating to Services, Investors, Shareholder information, Octopus AIM VCT plc. All other statutory information will also be found there.

WARNING TO SHAREHOLDERS

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be wary of any unsolicited advice, offer to buy shares at a discount or offer for free company reports.

Please note that it is very unlikely that either Octopus Investments Limited ('Octopus') or the Company's Registrar would make unsolicited telephone calls to shareholders. In any event any such calls would relate only to official documentation already circulated to shareholders and would never be in respect of investment "advice".

If you are in any doubt about the veracity of an unsolicited phone call, please call either Octopus, or the Registrar, at the numbers provided at the back of this report.

Financial Summary

ORDINARY SHARES

	Six months to 31 August 2015	Six months to 31 August 2014	Year to 28 February 2015
Net assets (£'000s)	77,363	64,726	72,612
Net profit /(loss) after tax (£'000s)	1,895	(5,515)	(5,226)
Net asset value per share ("NAV")	105.6p	112.5p	110.2p
Dividends paid in the period	6.8p	3.0p	5.5p
Total return*	2.0%	(7.7)%	(7.6)%

* The total return is calculated as the (movement in NAV + Dividends) divided by the NAV at the beginning of period.

The object of the table below is to show the return of each individual share class (representing the first allotment from each tax year), assuming no subsequent corporate actions had occurred, so that the NAV plus cumulative dividends shown at the bottom of the table relates directly to the original investment. There is now only one share class, that being Ordinary shares (formerly D shares).

Dividends paid in the period ended	Ordinary shares 2014/15	Ordinary shares 2013/14	Ordinary shares 2012/13	Ordinary shares 2011/12	Ordinary shares 2010/11	Ordinary shares 2009/10	D shares 2003/04	C shares 2000/01	Ordinary shares 1997/98	Phoenix 'C' shares 2005/06	Phoenix Ordinary shares 2002/03	
28 February 1999				–	–	–	–	–	1.88	–	–	
29 February 2000				–	–	–	–	–	3.13	–	–	
28 February 2001				–	–	–	–	–	37.25	–	–	
28 February 2002				–	–	–	–	2.55	6.50	–	–	
28 February 2003				–	–	–	–	1.50	3.50	–	–	
29 February 2004				–	–	–	–	0.50	0.50	–	0.15	
28 February 2005				–	–	–	0.50	0.50	0.50	–	6.50	
28 February 2006				–	–	–	2.25	2.31	2.15	–	1.00	
28 February 2007				–	–	–	3.30	4.52	4.20	1.00	3.35	
31 August 2007				–	–	–	2.50	2.69	2.50	3.00	6.00	
29 February 2008				–	–	–	2.50	2.69	2.50	3.00	6.00	
31 August 2008				–	–	–	2.50	2.69	2.50	2.00	5.00	
28 February 2009				–	–	–	2.50	1.47*	1.36*	3.00	5.00	
31 August 2009				–	–	–	2.50	1.46*	1.36*	1.35	1.00	
28 February 2010				–	–	–	2.50	1.47*	1.36*	1.35*	1.00*	
31 August 2010				–	–	–	–	1.46*	1.36*	2.70*	2.00*	
28 February 2011						5.28*	5.59*	5.00	1.47*	1.36*	3.06*	2.27*
31 August 2011				2.59	2.64*	2.80*	2.50	1.47*	1.36*	1.53*	1.13*	
29 February 2012				2.59	2.64*	2.80*	2.50	1.47*	1.36*	1.53*	1.13*	

31 August 2012				2.59	2.64*	2.80*	2.50	1.47*	1.36*	1.53*	1.13*
28 February 2013			2.76*	2.59*	2.64*	2.79*	2.50	1.47*	1.36*	1.53*	1.13*
31 August 2013		2.39*	2.76*	2.59*	2.64*	2.80*	2.50	1.47*	1.36*	1.53*	1.13*
28 February 2014		2.39*	2.76*	2.59*	2.64*	2.80*	2.50	1.47*	1.36*	1.53*	1.13*
31 August 2014	2.35*	2.87*	3.31*	3.11*	3.17*	3.36*	3.00	1.76*	1.63*	1.74*	1.29*
28 February 2015	1.96*	2.39*	2.76*	2.59*	2.64*	2.80*	2.50	1.47*	1.36*	1.53*	1.13*
31 August 2015	5.32*	6.51*	7.50*	7.04*	7.19*	6.80*	6.80	3.99*	3.70*	3.95*	2.92*
Cumulative dividends paid	9.62	16.57	21.83	28.26	34.12	35.34	53.35	43.32	88.76	36.86	51.39
Adjusted NAV as at 31 August 2015** (assuming investment at 100p)	82.6	101.1	116.40	109.30	111.60	118.12	105.60	61.90	57.50	61.30	45.40
Adjusted NAV plus cumulative dividends paid***	92.22	117.67	145.83	137.56	145.72	153.46	158.95	105.22	146.26	98.16	96.79

Following the merger with Octopus Phoenix VCT plc and various share reorganisations, there is now only one share class, Ordinary shares. For Octopus Phoenix VCT plc Ordinary shares and C shares, the figures above represent a notionally adjusted NAV per share in accordance with the relevant conversion factors listed in the shareholder information sector on page 25.

* Notional dividends adjusting for conversion & assuming an investment at 100p, of Phoenix 'C' shares into Phoenix Ordinary shares, and relevant AIM VCT shares into AIM VCT Ordinary shares (formerly D shares).

** NAV adjusted for conversion of relevant shares into AIM VCT Ordinary shares at the date of each conversion. Phoenix Ordinary shares adjusted as at the date of the merger.

*** NAV plus cumulative dividends based on NAV adjusting for conversion, assuming an investment at 100p, showing the notional return to shareholders based on their original investment share class.

An interim dividend of 2.5p will be paid on 14 January 2016 to those shareholders on the register on 18 December 2015.

DISCRETE ANNUAL PERFORMANCE TO 31 AUGUST 2015

	Year to 31 August 2015	Year to 31 August 2014	Year to 31 August 2013	Year to 31 August 2012	Year to 31 August 2011
Octopus AIM VCT NAV Performance – Total Return	2.1%	13.0%	25.9%	6.0%	12.5%
FTSE AIM Total Return	(4.6)%	4.7%	11.4%	(11.0)%	12.7%
FTSE All Share Total Return	(2.3)%	10.3%	18.9%	10.2%	7.3%
Octopus AIM VCT Share Performance – Total Return	0.7%	13.9%	36.1%	3.0%	25.1%

Sources: Octopus, Lipper. VCT performance shown is a simple return comparison between the NAV at the beginning of the period and the NAV, plus any dividends paid out, at the end of the period. VCT share price performance shown includes reinvested dividends. NAV stated after the deduction of fees.

Chairman's Statement

INTRODUCTION

The temporary euphoria of a majority single party government in May has since been followed by worries over the slowdown in Chinese economic growth, the continuing hiatus in the Eurozone and the political difficulties caused by the European immigrant crisis as well as concerns about the timing of interest rate rises. Not surprisingly larger companies' share prices, the constituents of the FTSE 100 index, have been volatile. Smaller companies have been much more resilient, but it would be wrong to suggest that they can avoid the mood swings entirely, even though their exposure to China's difficulties, for example, are peripheral rather than direct.

In the six months since the year end to 31 August smaller companies have shown considerable resilience in contrast to their larger brethren and that has provided a reasonable background against which companies have continued to raise new capital. Valuations have been more realistic than they were a year ago and your company has invested a total of £4m in VCT qualifying holdings in the first half of the year. Also in the period the proceeds from the take-over of Advanced Computer Software were received and your company has paid a total dividend of 6.8p per share, which comprised a special dividend of 4p and an ordinary dividend, in line with the board's policy, of 2.8p per share.

PERFORMANCE

It is hardly surprising, in the context of the jolt to the market in the later summer, that the indices for larger companies were lower at the end of August compared to February. The total return on the FTSE All Share Index was -6.2% in the six month period and the FTSE 100 Index was down almost 8%. Smaller companies however, have weathered the storm in rather better style. The total return on the FTSE SmallCap (excluding investment companies) Index was 6.4% and the FTSE AIM All Share Index was up 3.5%. The Net Asset Value (NAV) was 105.6p at the end of August, but that is after paying the 6.8p dividend. Adding this back to the period end NAV gives a value of 112.4p, compared to the NAV of 110.2p at the end of February, a rise of 2%. Amongst portfolio constituents, there have been good performance contributions from the more mature and established holdings such as Brooks Macdonald, Staffline, Gooch & Housego, Adept Telecoms, GB Group, Mattioli Woods, Iomart and Craneware. The share price of Chime Communications has benefitted from the recommended bid for the company. However, these have been counterbalanced by poor share price performance from some of the earlier stage companies, where the nervousness of the market has impacted share prices, particularly those that are still potentially needing further finance to get them to profitability. Proxama, Sphere Medical, Nektan, Wandisco and Oxford Pharmascience all fell into this category and MyCelx continued to perform

badly against the background of a weak oil price. Tasty, RWS and Judges Scientific also performed badly in the six months although all of these are profitable and dividend paying and have seen their shares recover since the period end.

DIVIDEND

Your board has a policy of an annualised 5% yield target and the ordinary 2.8p dividend referred to above was paid in line with this policy. Your board would like to continue this policy and therefore has declared an interim dividend of 2.5p per share. This will be paid to shareholders, who are on the share register on 18 December 2015, on 14 January 2016.

INVESTMENT ACTIVITY

Your managers have invested £4m in qualifying investments in the six months to the end of August. That comprises £1.1m into two existing holdings, Learning Technologies and Nektan. The balance of almost £3m has been invested into new holdings, Sphere Medical, Gear4Music, Oxford Pharmascience and ReNeuron. Gear4Music is a leading UK online retailer of musical instruments, both branded and its own brands. At present it has one showroom in York and is opening another in London with the proceeds from its float. The other three new holdings are all involved in medical science in one form or another. Sphere Medical is developing a novel bedside blood analyser product for use on patients in intensive care. Oxford Pharmascience is redeveloping existing pain relief medicines, such as aspirin and ibuprofen, to reduce side effects and Reneuron is developing stem cell treatments. Much of this science is inevitably long term in nature and of course will face many problems, not least regulatory and financial, along the way, before being finally accepted into practical use in health services around the world. However, the companies have substantial cash resources and a good chance of successful progress and are very much what VCTs should be investing in.

There were three take-overs in the six months. The first, which was mentioned in the report and accounts, was of Advanced Computer Software. The proceeds of this transaction were received in March, out of which a special 4p dividend was paid in August and the balance was available for investment. The second take-over was of the small holding in Enables IT, for which shares in ISpatial were accepted. As a result this VCT has a small holding now in ISpatial. Finally Synarbor, a delisted AIM company and a small unlisted holding in the portfolio, was successfully sold by its directors.

A number of new non-qualifying holdings have been established, which include Clinigen and CityFibre Infrastructure Holdings, as well as adding to existing holdings such as Ergomed and Ideagen. Your managers are looking for opportunities to add to the non-qualifying portfolio in order to put the cash raised under the offer to work while it is waiting for new qualifying opportunities.

SHARE ISSUES AND BUYBACKS

As the report and accounts mentioned, the share offer remained open at that time, although it closed on 1 July. In the period since the financial year end, your company raised £9m of additional capital, to make a total of £18m raised under last year's prospectus.

In the six months to the end of August, your company bought back 311,574 shares and these have all been cancelled. There are no shares held in treasury.

In addition 323,669 new Ordinary shares were issued in August to shareholders who participate in the dividend reinvestment scheme.

VCT REGULATIONS

In the summer Budget, as shareholders may be aware, a number of changes to VCT regulations were introduced, which will become effective when Royal Assent is given to the Finance Bill. This is expected shortly. To the extent that these proposals affect this VCT, your board is discussing the potential consequences with your manager. Given the established nature of the portfolio, any changes are unlikely to be immediate. It is probable that over time the investment focus will be refined and we will set out any detailed implications of this in the next annual report once we have examined the new regulations.

RISKS AND UNCERTAINTIES

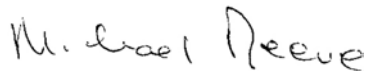
The principal risks and uncertainties are set out in Note 6 to this half yearly report on page 24.

OUTLOOK

The current economic headlines are dominated by a number of well-documented international concerns, which do not really impact directly on smaller UK companies although they do affect market sentiment and therefore share prices. The most important factor for companies in your portfolio is the growth in the UK economy and the prospects for its continuation. In the wake of the recent results seen during September, it is clear that many portfolio companies are trading well, enjoying the benefits of the UK's growth and continuing to invest and innovate. The exceptions to

this relatively rosy view are those companies facing export market and foreign exchange difficulties, as well as any exposed to the resource sector although your managers would argue that these issues are now reflected in the relevant share prices. However, at the end of September the unaudited NAV had risen to 106.5p, compared to 105.6p a month earlier. The market will continue to worry about the effects of any interest rate rises. However, with inflation still below the Bank of England's 2% target it does not look to be a near prospect.

The pipeline of VCT qualifying investment opportunities has been a little slower to recover from the seasonal summer lull than usual. This is probably partly due to the volatile state of larger company share prices but also not helped by the process of companies and advisers adjusting to the new VCT legislation which was outlined in the summer budget and will be finalised in the next month. Your company still has relatively high levels of cash and has made two small follow on investments into existing holdings since the end of the period and is now starting to see more opportunities on the horizon. We expect the number to rise for as long as the current economic confidence persists.

A handwritten signature in black ink that reads "Michael Reeve". The signature is written in a cursive style with a large, prominent 'R'.

Michael Reeve
13 October 2015

Investment Portfolio

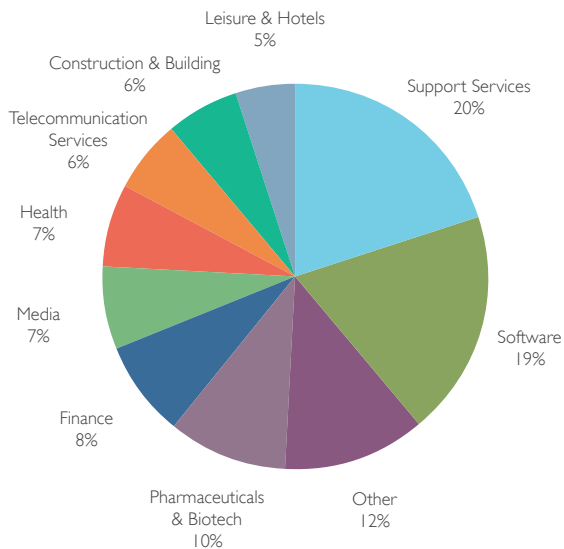
CONSOLIDATED FIXED ASSET TABLE

Investments	Sector	Book cost as at 31 August 2015 (£'000)	Cumulative change in fair value (£'000)	Fair Value at 31 August 2015 (£'000)	Movement in year (£'000)	% equity held by AIM VCT plc	% equity held by all funds managed by Octopus
Staffline Recruitment Plc	Support Services	342	4,987	5,329	2,038	1.4%	11.2%
Breedon Aggregates Limited	Construction & Building	859	2,790	3,649	233	0.7%	1.1%
Brooks MacDonald Group Plc	Finance	746	1,946	2,692	551	1.1%	7.5%
GB Group plc	Support Services	714	1,877	2,591	691	1.0%	8.6%
Mattoli Woods Plc	Finance	528	1,788	2,316	309	1.6%	2.4%
TLA Worldwide plc	Media	807	1,483	2,290	555	3.0%	6.4%
Quixant plc	Technology Hardware	697	1,498	2,195	46	2.3%	6.4%
Idox Plc	Software	353	1,570	1,923	24	1.3%	3.6%
Tasty Plc	Leisure & Hotels	621	1,194	1,815	(238)	2.8%	5.2%
Vertu Motors Plc	General Retailers	1,265	475	1,740	180	0.8%	5.9%
Netcall plc	Telecommunication Services	437	1,218	1,655	(481)	2.6%	4.5%
Ergomed Plc	Pharmaceuticals & Biotech	1,440	137	1,577	122	3.1%	10.7%
Brady plc	Software	947	519	1,466	186	1.8%	3.1%
Learning Technologies Group (formerly In-Deed Online Plc)	Support Services	1,317	82	1,399	175	1.6%	2.7%
EKF Diagnostics Plc	Health	931	301	1,232	(83)	1.3%	2.4%
Nektan plc (formerly Nektan Limited)	Software	1,145	59	1,204	(316)	2.8%	16.4%
Cello Group Plc	Media	895	231	1,126	36	1.4%	5.9%
Adept Telecom Plc	Telecommunication Services	600	514	1,114	497	1.9%	3.8%
Animalcare Group Plc	Health	306	795	1,101	55	2.6%	6.8%
Escher Group Holdings plc	Software	1,003	58	1,061	30	3.2%	5.5%
Oxford Pharmascience Group plc	Pharmaceuticals & Biotech	1,350	(304)	1,046	(304)	1.1%	3.5%
Gooch & Housego Plc	Electronic & Electrical	489	520	1,009	187	0.5%	10.9%
Bond International Plc	Software	354	636	990	157	2.2%	3.3%
Skyepharma plc	Pharmaceuticals & Biotech	672	269	941	63	0.3%	0.6%
RWS Holdings Plc	Support Services	367	489	856	(269)	0.3%	6.3%
Craneware Plc	Software	183	672	855	145	0.5%	1.9%
Restore Plc	Support Services	467	386	853	(141)	0.4%	10.3%
CityFibre Infrastructure Holdings Plc	Telecommunication Services	1,025	(234)	791	(234)	1.6%	3.6%

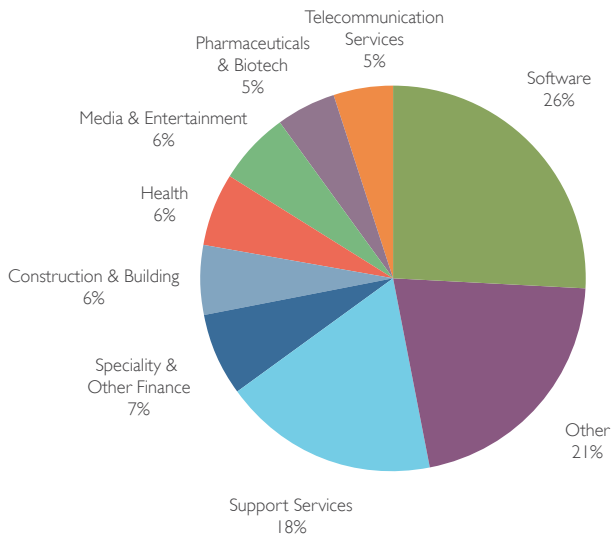
SQS Software Plc	Software	291	476	767	15	0.4%	12.2%
Judges Scientific Plc	Electronic & Electrical	314	447	761	(96)	0.8%	1.4%
Nasstar plc	Software	480	264	744	(72)	2.6%	7.4%
Clinigen Group plc	Pharmaceuticals & Biotech	619	110	729	110	0.1%	3.0%
DP Poland Plc	Leisure & Hotels	546	127	673	(209)	3.8%	6.4%
Cambridge Cognition Group plc	Health	600	43	643	69	5.0%	17.8%
Fusionex International plc	Software	282	351	633	(56)	0.4%	1.5%
Sinclair Pharma Plc	Pharmaceuticals & Biotech	765	(151)	614	48	0.4%	0.6%
Midatech Pharma Plc	Pharmaceuticals & Biotech	600	2	602	(54)	0.8%	3.6%
Omega Diagnostics Plc	Health	464	99	563	38	3.5%	6.1%
Gear4Music Holdings plc	Media	557	(4)	553	(4)	2.0%	5.1%
Ideagen plc	Software	419	115	534	78	0.7%	5.6%
Sphere Medical	Health	600	(113)	487	(113)	2.6%	4.4%
Mears Group Plc	Support Services	139	348	487	(50)	0.1%	0.1%
Access Intelligence Plc	Software	495	(56)	439	131	2.7%	5.3%
Plastics Capital Plc	Engineering & Machinery	400	20	420	(20)	1.1%	11.7%
Goals Soccer Centres Plc	Leisure & Hotels	205	179	384	(84)	0.3%	2.3%
MyCelx Technologies plc	Oil Services	1,470	(1,087)	383	(631)	5.3%	11.5%
Proxama plc	Software	763	(382)	381	(168)	3.0%	12.1%
Iomart Group Plc	Software	268	95	363	58	0.1%	7.2%
ReNeuron Group Plc	Pharmaceuticals & Biotech	324	16	340	16	0.2%	1.2%
Chime Communications Plc	Media	194	132	326	87	0.1%	0.3%
Microsaic Systems Plc	Engineering & Machinery	325	–	325	(12)	1.2%	7.6%
Futura Medical Plc	Pharmaceuticals & Biotech	613	(291)	322	(48)	1.1%	5.2%
Vianet Group Plc	Support Services	359	(83)	276	36	1.1%	4.7%
WANdisco Plc	Software	241	(12)	229	(304)	0.5%	0.8%
Altitude Group Plc	Media	600	(400)	200	(67)	3.9%	4.5%
Corac Plc	Engineering & Machinery	648	(462)	186	(27)	1.3%	6.4%
Lombard Medical Technologies Plc	Health	408	(265)	143	(63)	0.4%	0.7%
Synarbor Plc	Support Services	15	124	139	117	0.8%	0.8%
Tangent Communications Plc	Support Services	578	(448)	130	(43)	2.1%	4.7%
Enteq Upstream Plc	Oil Services	1,032	(908)	124	(26)	1.7%	3.8%
Hasgrove Plc	Media	88	(9)	79	–	2.2%	13.0%

Dods Group Plc	Media	203	(138)	65	10	0.2%	0.2%
Enables IT Group plc (Ispatial)	Software	300	(241)	59	(16)	0.1%	0.2%
Work Group Plc	Support Services	943	(890)	53	6	4.1%	6.1%
Tanfield Group Plc	Engineering & Machinery	226	(174)	52	(10)	0.2%	0.6%
Rated People Limited	Software	354	(322)	32	(322)	0.5%	1.5%
Clean Air Power Limited	Industrial	485	(454)	31	(130)	2.0%	8.8%
Total investments		39,073	22,014	61,087	2,404		
Money market funds				5,257			
Total fixed asset investments and money market funds				66,344			
Cash at bank				11,049			
Debtors less creditors				(30)			
Total net assets				77,363			

INVESTMENT PORTFOLIO AS AT 31 AUGUST 2015



INVESTMENT PORTFOLIO AS AT 31 AUGUST 2014

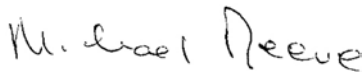


Responsibility Statement of the Directors in respect of the Half-Yearly Report

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with the statement "Interim Financial Reporting" issued by the Financial Reporting Council;
- the half-yearly report includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules, being:
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year; that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board



Michael Reeve

Chairman

13 October 2015

Income Statement

	Six months to 31 August 2015			Six months to 31 August 2014			Year to 28 February 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised loss on disposal of fixed asset investments	–	(33)	(33)	–	(120)	(120)	–	(298)	(298)
Unrealised gain/(loss) on valuation of fixed asset investments	–	2,408	2,408	–	(4,940)	(4,940)	–	(4,005)	(4,005)
Income	385	–	385	363	–	363	703	–	703
Investment management fees	(173)	(519)	(692)	(149)	(447)	(596)	(302)	(906)	(1,208)
Other expenses	(173)	–	(173)	(222)	–	(222)	(418)	–	(418)
Profit/(loss) on ordinary activities before tax	39	1,856	1,895	(8)	(5,507)	(5,515)	(17)	(5,209)	(5,226)
Taxation on profit/(loss) on ordinary activities	–	–	–	–	–	–	–	–	–
Profit/(loss) on ordinary activities after tax	39	1,856	1,895	(8)	(5,507)	(5,515)	(17)	(5,209)	(5,226)
Earnings per share – basic and diluted	0.1p	2.6p	2.7p	–	(9.6p)	(9.6p)	0.0p	(8.8p)	(8.8p)

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The accompanying notes are an integral part of the half-yearly report.
- The Company has no recognised gains or losses other than those disclosed in the income statement.

Reconciliation of Movements in Shareholders' Funds

	Six months to 31 August 2015 £'000	Six months to 31 August 2014 £'000	Year to 28 February 2015 £'000
Shareholders' funds at start of period	72,612	69,730	69,730
Profit/(loss) on ordinary activities after tax	1,895	(5,515)	(5,226)
Shares purchased and cancelled	(328)	(332)	(771)
Issue of equity	8,143	2,573	13,194
Decrease in shares to be issued	–	–	(1,008)
Dividends paid	(4,959)	(1,730)	(3,307)
Shareholders' funds at end of period	77,363	64,726	72,612

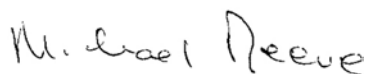
Balance Sheet

	As at 31 August 2015		As at 31 August 2014		As at 28 February 2015	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		61,087		56,925		57,711
Current assets:						
Money market securities*	5,257		453		454	
Debtors	63		64		203	
Cash at bank	11,049		7,466		14,992	
	16,369		7,983		15,649	
Creditors: amounts falling due within one year	(93)		(182)		(748)	
Net current assets		16,276		7,801		14,901
Net assets		77,363		64,726		72,612
Called up equity share capital		733		575		656
Shares to be issued		–		–		319
Share premium account		17,675		4,742		13,951
Capital redemption reserve		12		5		9
Special distributable reserve		68,014		64,123		63,684
Capital reserve realised		(31,461)		(29,082)		(29,810)
Capital reserve unrealised		22,016		24,019		23,468
Revenue reserve		374		344		335
Total equity shareholders' funds		77,363		64,726		72,612
Net asset value per share		105.6p		112.5p		110.2p

*Held at fair value through profit & loss.

The accompanying notes form an integral part of the financial statements.

The statements were approved by the Directors and authorised for issue on 13 October 2015 and are signed on their behalf by:



Michael Reeve

Chairman

Company No: 03477519

Cash Flow Statement

	Six months to 31 August 2015 £'000	Six months to 31 August 2014 £'000	Year to 28 February 2015 £'000
Net cash outflow from operating activities	(995)	(257)	(298)
Cash flows from Investing activities:			
Purchase of fixed asset investments	(6,014)	(2,363)	(5,291)
Disposal of fixed asset investments	5,012	946	3,845
Purchase of current asset investment	(4,802)	–	(1)
Net cash outflow from investing activities	(5,804)	(1,417)	(1,447)
Cash flows from financing activities			
Financing:			
Dividends paid	(4,959)	(1,730)	(3,307)
Shares to be issued	–	–	(1,008)
Issue of equity	8,143	2,573	13,194
Shares re-purchased	(328)	(332)	(771)
Net cash inflow from financing activities	2,856	511	8,108
(Decrease)/increase in cash at bank	(3,943)	(1,163)	6,363

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months to 31 August 2015 £'000	Six months to 31 August 2014 £'000	Year to 28 February 2015 £'000
(Decrease)/increase in cash at bank	(3,943)	(1,163)	6,363
Increase in cash equivalents	4,803	–	1
Opening net liquid resources	15,446	9,082	9,082
Net cash resources at end of period	16,306	7,919	15,446

RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	Six months to 31 August 2015 £'000	Six months to 31 August 2014 £'000	Year to 28 February 2015 £'000
Profit/(loss) on ordinary activities before tax	1,895	(5,515)	(5,226)
Loss on realisation of investments	33	120	298
(Gain)/loss on valuation of investments	(2,408)	4,940	4,005
Decrease in debtors	140	190	51
(Decrease)/increase in creditors	(655)	8	574
Net cash outflow from operating activities	(995)	(257)	(298)

Notes to the Half-Yearly Report

1. BASIS OF PREPARATION

The unaudited half-yearly results which cover the six months to 31 August 2015 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (March 2015) and the Statement of Recommended Practice for Investment Companies issued by the Association of Investment Companies in November 2014.

2. PUBLICATION OF NON-STATUTORY ACCOUNTS

The unaudited interim results for the six months ended 31 August 2015 do not constitute statutory accounts within the meaning of s.415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 28 February 2015 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3 of part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. EARNINGS PER SHARE

The earnings per share at 31 August 2015 is calculated on the basis of 71,101,373 (28 February 2015: 59,233,368 and 31 August 2014: 57,199,373) shares, being the weighted average number of shares in issue during the period.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted return per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets at 31 August 2015 and on 73,251,687 (28 February 2015: 65,898,868 (being the sum of 65,624,466 Ordinary shares in issue plus 274,422 shares to be issued at that date) and 31 August 2014: 57,544,424) shares being the number of shares in issue, excluding shares held in Treasury, at the same date.

5. DIVIDENDS

The interim dividend declared of 2.5 pence per Ordinary share will be paid on 14 January 2016 to those shareholders on the register on 18 December 2015.

6. RISKS AND UNCERTAINTIES

The Company's assets consist of equity and fixed-rate interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a VCT, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 28 February 2015. The Company's principal risks and uncertainties have not changed materially since the date of that report.

7. RELATED PARTY TRANSACTIONS

Octopus acts as the investment manager of the Company. Under the management agreement, Octopus receives a fee of 2.0 per cent per annum of the net assets of the Company for the investment management services. During the period, the Company incurred management fees of £692,000 (28 February 2015: £1,208,000 and 31 August 2014: £596,000) payable to Octopus. At the period end there was £Nil (28 February 2015: £Nil and 31 August 2014: £Nil) outstanding to Octopus.

8. POST BALANCE SHEET EVENTS

- On 15 September 2015 7,500 shares in Gamma Communications plc were purchased for a total consideration of £22,000
- On 24 September 2015 367,647 shares in Synarbor Plc were disposed for a total consideration of £138,000
- On 25 September 2015 300,000 shares in Advance Medical Solutions Group Plc were purchased for a total consideration of £457,000.

9. OTHER INFORMATION

This statement will be made available to all shareholders. Copies are also available from the registered office of the Company at 33 Holborn, London EC1N 2HT, and will also be available to view on the Octopus website at www.octopusinvestments.com.

About Octopus AIM VCT plc

Octopus AIM VCT plc ("the Company" or "Fund") was launched as Close AIM VCT PLC in the spring of 1998 and raised £10.1 million from private investors through an issue of Ordinary shares.

Between October 2000 and March 2001 a further £20.0 million was raised through an issue of C shares. Furthermore, between 16 March 2004 and final closing on 5 April 2004 the Company raised £3.3 million by way of a D share issue.

The C Shares were merged and converted into Ordinary shares on 31 May 2004 at a conversion ratio determined by a price mechanism related to the respective net assets per share of both the Ordinary shares and C shares at 29 February 2004 (which resulted in C Shareholders receiving 1.0765 Ordinary shares for each C share held).

A further £15.0 million was raised between 6 January 2005 and 8 April 2005 through an issue of New D shares.

On 31 May 2008, the Ordinary shares converted into D shares at a conversion ratio of 0.5448 D shares for each Ordinary share. All of the D shares were then re-designated into New Ordinary shares.

With effect from 1 August 2008, the management of the Company was transferred to Octopus Investments Limited.

On 4 August 2010 the share capital was restructured and each existing Ordinary share of 50 pence was subdivided into one Ordinary share of 1 pence and one Deferred share of 49 pence. The Deferred shares had no economic value and were bought back by the Company for an aggregate amount of 1 pence and cancelled.

On 12 August 2010, following approval at the Extraordinary General Meeting on 4 August 2010, shareholders of Octopus Phoenix VCT had their shares converted into Octopus AIM VCT shares on a relative net asset value basis using the conversion factor of 0.42972672. On the same day, Octopus Phoenix VCT was placed into members' voluntary liquidation.

The offer for subscription in the prospectus dated 9 July 2010 relating to the issue of new shares in connection with the merger with Octopus Phoenix VCT Plc was extended by a supplemental prospectus and closed on 19 April 2011 raising £10 million. A subsequent offer raised £1.9 million, closing on 5 April 2012.

A further offer was launched on 25 April 2012 and closed on 31 July 2012. The offer resulted in the issue of 2,843,092 new shares, raising a total of £2.6 million.

On 23 October 2012 the Company announced an Enhanced Buyback Facility ("EBB") in respect of up to 50 per cent of the issued share capital. The EBB closed on 31 January 2013. As a result of the EBB, the Company repurchased 10,801, 537 Ordinary shares and 10,289,443 new Ordinary shares were issued.

An offer for subscription of up to £10 million, which opened on 1 February 2013 and closed on 17 December 2013, raised £9.4 million. As mentioned in the Chairman's statement, the Board completed a fund-raise of £4.1 million by way of an issue of new shares in a non-prospectus offer that opened on 2 February 2014 and closed fully subscribed on 28 March 2014.

A combined offer for subscription with Octopus AIM VCT 2 plc was launched on 29 August 2014 with a maximum offer of £18.0 million in the Company and £12.0 million in Octopus AIM VCT 2 plc (through a £20.0 million offer and an over-allotment facility of £10.0 million which was announced on 26 March 2015). The offer closed on 1 July 2015 having raised £18.0 million.

VENTURE CAPITAL TRUSTS (VCTS)

VCTS were introduced in the Finance Act 1995 to provide a means for private individuals to invest in unquoted companies in the UK. Subsequent Finance Acts have introduced changes to VCT legislation. The tax benefits currently available to eligible new investors in VCTS include:

- up to 30% up-front income tax relief;
- exemption from income tax on dividends paid; and
- exemption from capital gains tax on disposals of shares in VCTS.

The Company has been approved as a VCT by HMRC. In order to maintain its approval the Company must comply with certain requirements of the Income Tax Act 2007 on a continuing basis, specifically the provisions of chapter 3 and, in particular, s280A:

- at least 70% of the Company's investments must comprise 'qualifying holdings*' (as defined in the legislation);
- for cash raised pre 6 April 2011 at least 30% of the 70% of qualifying holdings must be invested into Ordinary Shares with no preferential rights;

- for cash raised post 5 April 2011 at least 70% of the 70% of qualifying holdings must be invested into Ordinary Shares with no preferential rights;
- no single investment made can exceed 15% of the total Company value; and
- a minimum of 10% of each Qualifying Investment must be in Ordinary Shares with no preferential rights.

* A 'qualifying holding' consists of up to £5 million invested in any one year in new shares or securities in an unquoted UK company (or companies traded on AIM or ISDX Growth Market) which is carrying on a qualifying trade and whose gross assets do not exceed a prescribed limit at the time of investment. The definition of a 'qualifying trade' excludes certain activities such as property investment and development, financial services and asset leasing.

VENTURE CAPITAL LEGISLATION

The Government announced in the Budget on 19 March 2015 some amendments to VCT legislation which are subject to EU State Aid approval. As announced in the Budget, changes to qualifying investments include the following:

- companies must be less than 7 years old when receiving their first EIS or VCT investment (10 years old for knowledge intensive companies), except where the investment will lead to a substantial change in the company's activity;
- a lifetime cap on total investment received under the tax-advantaged venture capital schemes of £12 million, increasing to £20 million for knowledge-intensive companies; and
- an increase in the employee limit for knowledge-intensive companies to 499 employees, from the current limit of 249 employees.

Details of Directors and Advisers

BOARD OF DIRECTORS

Michael Reeve (Chairman)
Stephen Hazell-Smith
Roger Smith
Marion Sears

COMPANY NUMBER

Registered in England & Wales
No. 03477519

SECRETARY AND REGISTERED OFFICE

Nicola Board ACIS
Octopus Investments Limited
33 Holborn
London
EC4IN 2HT

INVESTMENT & ADMINISTRATION MANAGER

Octopus Investments Limited
33 Holborn
London
EC4IN 2HT
Tel: 0800 664 0324
www.octopusinvestments.com

CORPORATE BROKER

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF
Tel: 020 7886 2500

INDEPENDENT AUDITOR

BDO LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

TAXATION ADVISOR

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

VCT STATUS ADVISER

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

BANKERS

HSBC Bank plc
31 Holborn
London
EC4IN 2HR

REGISTRAR

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0371 664 0324
(calls cost 10p per minute plus network extras)
www.capitaregistrars.com

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